Agenda Item No.__

 $\mathsf{File}\ \mathsf{Code}\ \mathsf{No.}\ \ 260.02$



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 29, 2009

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: August 2009 Investment Report

RECOMMENDATION:

That Council accept the August 2009 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of August 31, 2009.

ATTACHMENT: August 2009 Investment Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Interim Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA Activity and Interest Report August 31, 2009

INVESTMENT ACTIVITY			INTEREST REVENUE		
PURCHASES OR DEPOSITS			POOLED INVESTMENTS		
08/04 LAIF Deposit/City	\$ 1,	500,000	Interest Earned on Investments	\$ 372	2,734
08/10 LAIF Deposit/City	1,0	000,000	Amortization	12	2,104
08/12 LAIF Deposit/City	1,0	000,000	SBB&T Sweep Account Interest		165
08/17 LAIF Deposit/City	2,0	000,000	Total	\$ 385	5,004
08/18 LAIF Deposit/City	3,	500,000			
08/20 Federal National Mortgage Assn. (FNMA)	2,0	000,000			
08/26 Federal Home Loan Mortgage Corp. (FHLMC)	2,0	000,000			
Total	\$ 13,0	000,000			
SALES, MATURITIES, CALLS OR WITHDRAWALS			RDA INVESTMENTS		
08/13 LAIF Withdrawal/City	•	000,000)	RDA INVESTMENTS Interest Earned on Investments (LAIF)	\$ 18	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity	(2,0	000,000)		\$ 18	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity	(2,(2,0)	000,000)		\$ 18	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity 08/20 LAIF Withdrawal/City	(2,0 (2,0 (1,0)	000,000) 000,000) 500,000)		\$ 18	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity 08/20 LAIF Withdrawal/City 08/26 LAIF Withdrawal/City	(2,1 (2,1 (1,1,1)	000,000) 000,000) 500,000) 000,000)		<u>\$ 18</u>	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity 08/20 LAIF Withdrawal/City 08/26 LAIF Withdrawal/City 08/27 LAIF Withdrawal/City	(2,1) (2,1) (1,1) (1,1) (4,1)	000,000) 000,000) 500,000) 000,000)		<u>\$ 18</u>	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity 08/20 LAIF Withdrawal/City 08/26 LAIF Withdrawal/City 08/27 LAIF Withdrawal/City 08/31 LAIF Withdrawal/RDA	(2,0 (2,0 (1,0 (1,0 (4,0 (1,0 (1,0 (1,0	000,000) 000,000) 500,000) 000,000) 000,000)		<u>\$ 18</u>	8,908
08/13 LAIF Withdrawal/City 08/17 Federal Farm Credit Bank (FFCB) Maturity 08/18 Federal Home Loan Bank (FHLB) Maturity 08/20 LAIF Withdrawal/City 08/26 LAIF Withdrawal/City 08/27 LAIF Withdrawal/City	(2,0 (2,0 (1,0 (1,0 (4,0 (1,0 (1,0 (1,0	000,000) 000,000) 500,000) 000,000)		<u>\$ 18</u>	8,908

CITY OF SANTA BARBARA

Summary of Cash and Investments August 31, 2009

ENDING BALANCE AS OF JULY 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,100,000	1.040%	30.81%	1
Certificates of Deposit	2,000,000	2.500%	1.23%	109
Federal Agency Issues - Coupon	90,956,242	3.578%	55.93%	800
Corporate/Medium Term Notes	12,254,708	4.878%	7.54%	316
	155,310,950	2.848%	95.51%	495
SB Airport Promissory Note	7,300,000	7.000%	4.49%	7,273
Totals and Averages	\$ 162,610,950	3.034%	100.00%	799
SBB&T Money Market Account	2,398,223			
Total Cash and Investments	\$ 165,009,173			

NET CASH AND INVESTMENT ACTIVITY FOR AUGUST 2009

\$ (3,672,781)

ENDING BALANCE AS OF AUGUST 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 45,600,000	0.925%	28.84%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.26%	78
Federal Agency Issues - Coupon	90,966,234	3.553%	57.53%	849
Corporate/Medium Term Notes	12,255,821	4.879%	7.75%	285
	150,822,055	2.852%	95.38%	537
SB Airport Promissory Note	7,300,000	7.000%	4.62%	7,242
Totals and Averages	\$ 158,122,055	3.044%	100.00%	846
SBB&T Money Market Account	3,214,338			
Total Cash and Investments	\$ 161,336,392			

Note:

(1) The average life of the LAIF portfolio as of August 31, 2009 is 203 days.

CITY OF SANTA BARBARA Investment Portfolio August 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S&P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.925	0.925	22,500,000.00	22,500,000.00	22,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.925	0.925	23,100,000.00	23,100,000.00	23,100,000.00	0.00	
Subtotal, LAIF						_	45,600,000.00	45,600,000.00	45,600,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,006,640.59	2,027,820.00	21,179.41	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,018,413.01	2,136,880.00	118,466.99	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,993,564.14	2,083,440.00	89,875.86	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,025,620.00	25,620.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,012,190.00	12,190.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,021,250.00	21,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,026,250.00	26,250.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	1,995,320.00	(4,680.00)	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	994,940.78	1,015,785.00	20,844.22	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,995,752.85	2,010,620.00	14,867.15	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,007,757.41	2,144,690.00	136,932.59	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,965,713.58	2,093,750.00	128,036.42	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	998,665.18	1,024,535.00	25,869.82	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,516.76	2,013,440.00	13,923.24	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,802,488.03	1,819,799.00	17,310.97	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,012,820.00	12,820.00	StrNt, Callable 6/30/11, once
FEDERAL HOME LOAN BANK	07/16/09	07/16/12	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 10/16/09, once
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,501.33	1,047,815.00	47,313.67	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,986,754.00	2,067,190.00	80,436.00	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,000,047.08	1,001,250.00	1,202.92	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,997.59	2,361,860.55	16,862.96	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,794.07	2,082,500.00	82,705.93	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,995,216.00	2,065,310.00	70,094.00	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,995,030.89	2,047,810.00	52,779.11	
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,986,692.08	2,064,380.00	77,687.92	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,003,760.00	3,760.00	
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,998,397.22	2,009,240.00	10,842.78	Callable 4/08/11, once

CITY OF SANTA BARBARA Investment Portfolio August 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S&P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,007,440.00	7,440.00	Callable 5/19/11, once
FEDERAL HOME LOAN MTG CORP	03/24/09	03/24/14	Aaa	AAA	3.500	3.500	2,000,000.00	2,000,000.00	2,003,560.00	3,560.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,012,400.00	12,400.00	Callable 5/13/11, once
FEDERAL HOME LOAN MTG CORP	08/26/09	08/26/14	Aaa	AAA	3.625	3.625	2,000,000.00	2,000,000.00	2,015,100.00	15,100.00	Callable 2/26/10, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	1,000,000.00	1,000,000.00	0.00	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,991,136.71	2,065,900.00	74,763.29	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,010,880.00	10,880.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	07/30/09	01/30/13	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,000,220.00	220.00	Callable 7/30/10, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,919,511.43	1,949,280.00	29,768.57	
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,994,523.72	2,031,660.00	37,136.28	
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,978,371.35	2,067,680.00	89,308.65	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,015,580.00	15,580.00	Callable 10/29/10, once
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,033,130.00	33,130.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,015,310.00	15,310.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	05/04/09	05/04/12	Aaa	AAA	2.150	2.185	2,000,000.00	1,998,650.00	2,010,310.00	11,660.00	Callable 5/04/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,994,096.82	2,053,440.00	59,343.18	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,025,630.00	25,630.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	05/20/09	11/20/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,003,130.00	3,130.00	Callable 5/20/10, once
FEDERAL NATL MORTGAGE ASSN	08/20/09	08/20/14	Aaa	AAA	3.625	3.636	2,000,000.00	1,999,061.11	2,010,000.00	10,938.89	Callable 11/20/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,038,440.00	38,440.00	Callable 3/05/10, once
Subtotal, Federal Agencies						=	91,045,000.00	90,966,233.73	92,600,974.55	1,634,740.82	•
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aa2	AAA	4.125	3.630	2,250,000.00	2,253,961.37	2,284,065.00	30,103.63	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,026,915.47	2,113,820.00	86,904.53	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aa2	AA+	4.625	5.300	2,000,000.00	1,999,520.47	2,002,460.00	2,939.53	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA	4.250	5.140	2,000,000.00	1,991,287.41	2,029,000.00	37,712.59	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,990,504.32	2,075,000.00	84,495.68	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA-	4.625	5.000	2,000,000.00	1,993,631.86	2,067,200.00	73,568.14	
Subtotal, Corporate Securities						-	12,250,000.00	12,255,820.90	12,571,545.00	315,724.10	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
Subtotal, SBA Note						_	7,300,000.00	7,300,000.00	7,300,000.00	0.00	
TOTALS							158,195,000.00	158,122,054.63	160,072,519.55	1,950,464.92	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.